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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF:

DOCKET NO. S-20472A-06-0535

THE 12 PERCENT FUND I, L.L.C. (aka THE 12%  
FUND, 12% FUND I and FUND)  
an Arizona limited liability company  
13714 Nightstar Ct.  
Marana, Arizona 85653-4455

COYOTE GROWTH MANAGEMENT, L.L.C.  
an Arizona limited liability company  
13714 Nightstar Ct.  
Marana, Arizona 85653-4455

MICHAEL JOSEPH HANNAN (aka MICHAEL  
HANNAN, MIKE HANNAN and MICHAEL J.  
HANNAN II) and JANE DOE HANNAN, husband  
and wife  
13714 Nightstar Ct.  
Marana, Arizona 85653-4455

SAM AHDOOT (aka SAM AHDOUT) and JANE  
DOE AHDOOT, husband and wife  
5625 Crescent Park West, Apt. 130  
Playa Vista, CA 90094-2083

Respondents.

Arizona Corporation Commission

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THIRD  
PROCEDURAL ORDER

BY THE COMMISSION:

On August 28, 2006, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and a Notice of Opportunity for Hearing ("Notice") against the 12 Percent Fund I, L.L.C. ("Fund"), Coyote Growth Management, L.L.C. ("CGM"), Michael Joseph Hannan and Jane Doe Hannan, husband and wife, and Sam Ahdoot and Jane Doe Ahdoot, husband and wife (collectively "Respondents"), in which the Division alleged that the Respondents committed multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of investment contracts.

The Fund, CGM and the Hannan Respondents were duly served with copies of the Notice.

1 On September 19, 2006, the Fund, CGM and the Hannan Respondents filed a request for  
2 hearing.

3 On September 25, 2005, by Procedural Order, a pre-hearing conference was scheduled on  
4 October 26, 2006.

5 On October 24, 2006, counsel for the Division and counsel for the Fund, CGM, and the  
6 Hannan Respondents filed a stipulation whereby they agreed to continue the pre-hearing conference  
7 indefinitely and waived the application of any time limits pursuant to A.A.C. R14-4-307 and A.R.S. §  
8 44-1972 with respect to the Temporary Order and Notice. The parties further indicated that the  
9 Ahdoot Respondents have not yet been served.

10 On October 25, 2006, by Procedural Order, the pre-hearing conference was continued  
11 indefinitely.

12 On June 8, 2007, Mr. Roderick R. McBroom, an individual who stated that he is an investor  
13 with the Respondents herein, faxed to the Hearing Division a letter and request for a continuance of a  
14 hearing and objection to receivership. His letter and request have been filed with the Commission's  
15 Docket Control and are available for viewing at the Commission's website under the above-  
16 referenced docket number as are all documents filed in this proceeding.

17 On June 13, 2007, Mr. McBroom filed a request with the Commission to be added to the  
18 service list of the above-referenced proceeding. There does not appear to be any reason to deny this  
19 request, but the addition of his name and address to the service list does not make him a party in this  
20 proceeding.

21 On June 14, 2007, by Procedural Order, Mr. Roderick R. McBroom was added to the service  
22 list in this proceeding, but was not made a party to the proceeding.

23 On August 7, 2007, the Division filed Motion to Set Pre-Hearing Conference.

24 Accordingly, a pre-hearing conference should be scheduled.

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1 IT IS THEREFORE ORDERED that a **pre-hearing conference** shall be held on **August 29,**  
2 **2007, at 9:30 a.m.,** at the Commission's offices, 1200 West Washington Street, Arizona 85007.

3 Dated this 9<sup>TH</sup> day of August, 2007.

4  
5  
6 

7 MARC E. STERN  
8 ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered  
10 this 9<sup>TH</sup> day of August, 2007 to:

11 Paul J. Roshka, Jr.  
12 ROSHKA, DEWULF & PATTEN, P.L.C.  
13 One Arizona Center  
14 400 East Van Buren Street, Suite 800  
15 Phoenix, Arizona 85004  
16 Attorneys for Respondents

17 Roderick R. McBroom  
18 P.O. Box 1931  
19 Durango, CO 81302

20 Matt Neubert, Director  
21 Securities Division  
22 ARIZONA CORPORATION COMMISSION  
23 1200 West Washington Street  
24 Phoenix, AZ 85007

25 ARIZONA REPORTING SERVICE, INC.  
26 2200 North Central Avenue, Suite 502  
27 Phoenix, AZ 85004-1481

28 By: 

Debra Broyles  
Secretary to Marc E. Stern